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UNCLAS SECTION 01 OF 04 KABUL 005185

SIPDIS

DEPARTMENT FOR SA/FO, SA/A, ISN/ECC FOR JCOLLINS
NSC FOR AHARRIMAN, AMEND
CJTF-76 FOR POLAD, CENTCOM FOR CG CFC-A
TREASURY FOR PARAMESWARAN

SENSITIVE

E.O.12958: N/A

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SUBJECT: URGENT RESOURCE REQUEST TO SUPPORT AFGHAN BORDER
MANAGEMENT INITIATIVE (BMI)

Ref: KABUL 4952

SUMMARY

1. (SBU) We have long recognized the Border Management Initiative (BMI) as a top USG priority for mission success in Afghanistan given due to its links to GoA revenue generation, security, and counter-narcotics initiatives. Reftel laid out the basic elements of a BMI approach that we now make more concrete. Washington help will be essential.

2. (SBU) Significant progress in realizing BMI goals needs to begin with a trial project targeting Herat province customs revenue generation and Afghan Border Police Sixth Brigade security activities along the Iranian border. This border point hosts the largest flow of commercial traffic in Afghanistan. We are moving rapidly to design a new trial plan with the involvement of Ministries of Finance and Interior. Its success will require the urgent deployment of additional resources to Afghanistan by Washington agencies, including as follows:

-- Customs, counter-narcotics and border patrol technical experts (e.g., immigration) to be deployed to the Herat customs areas, Afghan Border Police brigades, the MoF, and the MoI as advisors and mentors. Onward deployment of these resources to other border posts may be necessary later.

-- Supplemental resources, including specialized equipment to support customs, counter-narcotics and specified border patrol activities.

END SUMMARY

Background

3. (SBU) Recent fact-finding missions by the Ambassador, the ARG Chief of Staff and a State Dept. EXBS expert to Herat province and the Islam Qalah border crossing point pilot project have revealed the need for significant improvement in customs organization and Ministry of Finance/Ministry of Interior cooperation. Under the current customs clearing system, traders declare goods at Islam Qalah and then clear those goods and pay associated duties at the customs house in Herat city, over 100 km inland. While this arrangement is common -- and even regarded as a "best practice" -- in more developed countries, under primitive conditions in Afghanistan it permits tremendous leakage in imported cargo, much of which either bypasses the customs house via other transport routes or else is sold into the local market before reaching the customs house. There is also a general lack of oversight in the customs yards at both Islam Qalah and Herat, allowing further leakage in cargo. Moreover, the customs organization in Herat province is rife with corruption. Imported goods are regularly undervalued or improperly declared in exchange for bribes paid to customs officials, resulting in significant losses in customs revenue to the central government and significant increases in illicit revenues to local drug networks, warlords, and other destabilizing elements.

4. (SBU) The Sixth Brigade of the Afghan Border Police (ABP), which is tasked with securing the Herat, Farah, and Baghdis province borders against illegal immigration and the smuggling of legal and illegal goods (including narcotics and weapons) must receive adequate resources from the Ministry of Interior in terms of staffing, salaries, training, equipment, and sustainment funding for sustainment. The head of the Sixth Brigade, Col Ayoub, enabled by excellent mentoring and support from the CFC-A LNO, has done admirable work in rooting out corruption and combating cross-border threats, including narcotics

trafficking. The implementation of the USG-approved Police Reform Program, which prioritizes border police development, is addressing these resource shortfalls. Additionally, when the Border Police worked by themselves, they generated serious disagreements with the Ministry of Finance (that controls the Customs Service). This disagreement has blocked further progress of the unilateral border plan designed earlier. It is clear from this experiment that we have identified the problem but must have a new approach that both generates GoA buy in and builds GoA capacity to go forward without our running the program.

15. (SBU) To that end we are now focused on generating a new trial project at Islam Qalah with border police and customs to be designed in the Border Management Working Group with agreed timelines, goals, and international participation. The latter will be essential to referee differences between GoA agencies and provide a neutral point of evaluation. Without such oversight, that, the effort will degenerate into mutual finger pointing among Afghan officials, an easy cover for those whose illicit revenue is going to be squeezed by more effective customs collection. Hence there is a need for personnel resources with the experience to be credible in this difficult endeavor.

16. (SBU) An additional problem is that the central Afghan government continues to lack the political will necessary to reform its customs and border police organizations. We are undertaking a significant high level political push to generate support for the new approach. Ambassador recently met with Minister of Finance Ahady to discuss the issue of corruption and the lack of will on the part of the MoF and MoI to resolve the problems. The response was somewhat positive in that the Minister agreed to revitalize MoF's participation in the Border Management Working Group. He also agreed to the new concept of a trial project at Islam Qalah, including returning customs officers to the post. However, he also pushed back fairly strongly, asserting that Border Police are also corrupt, rejecting CFC-A's figures for projected revenue figures and asking for a master plan for dealing with corruption and customs control.

17. (SBU) These counter-arguments are not strong: The border police on the whole may be corrupt, but are relatively clean at Islam Qalah; the CFC-A's revenue projections LNO's figures are based on ground-level observation of traffic and, while the amount is debatable by experts, it is clear the bottom line that extensive smuggling is costing the GoA large amounts of revenue is certain. While the U.S. is certainly committed to helping the GoA root out corruption and is helping to formulate a master plan, the responsibility for generating a plan to counter corruption and institute customs reform rests squarely with the Ministry of Finance. Nor is it reasonable to wait for a perfect plan before making progress. It appears that broader strokes (to include the replacement of senior MoF officials responsible for customs) will be required to galvanize GoA reform. A firm MoI commitment to provide the border police adequate resources will also be required. To this end the Ambassador will be meeting in the near future with Acting Minister of Interior Moqbol to rejuvenate MoI's participating in the Border Management Working Group.

8 (SBU) The Ambassador has also secured the support of Deputy UNAMA chief Ambassador Alexander for strong UN political support for the trial plan. This is exactly the kind of political support envisioned for the new Donors Coordinating committee that will be set up during the London Conference. ARG Chief of Staff met on December 19 with German Ambassador Freck who agreed to support the trial concept in the Border Management Working Group. The World Bank also is a key player in the Border Management Working Group. On December 20 Econ Counselor has discussed the issue with World Bank Country Director Mazurelle, who strongly supported the Islam Qalah trial project initiative and pledged the assistance of two consultants currently supporting the Bank's Emergency Customs Modernization and Trade facilitation project.

Recent Actions

19. (SBU) Since Reftel, and in addition to the meetings noted above, Post has taken the following actions to move the Border Management initiative forward:

-- Conducted fact-finding missions to Herat province and the Islam Qalah border crossing point;

-- Met with MoI Deputy Minister and the heads of the Border Police and Customs Police to inform them of USG efforts and begin building a positive working relationship moving forward;

-- Met with EC's in-country leadership to de-conflict

construction plans at Shir Khan Bandar border crossing point;

-- State ISN/EXBS sent its South Asia Program Manager to Afghanistan, together with a dedicated personal services contractor who will serve for 6 months to 1 year as the EXBS liaison officer to Afghanistan to push the trial project forward. This visit included extensive consultations with ARG and CFC-A personnel, meetings with all international donor implementing partners and senior officials at MoI and MoF, as well as a Herat site-visit1;.

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Planned Actions

17. (SBU) Post plans to take the following actions in the coming two months:

-- Embassy Country Team will move forward the trial program at Islam Qalah and attempt to expand it to other customs posts. Once this trial has demonstrated a feasible solution, we would move to apply the same solution to Towrkham, to the remaining three priority crossing points, and finally to the balance of the 13 crossings locations. We would then follow with a period of international monitoring.

-- Meet with International Community (IC) January 12 to confirm and solidify a comprehensive list of donor resources and to ensure donor buy-in and coordinated donor action (we had hoped to meet this week but too many of the key players have departed for Christmas breaks).

-- Convene a meeting of the Executive Steering Committee which includes GoA Ministers, U.S. Ambassador, ARG Chief of Staff, CFC-A CG, and appropriate IC chiefs of mission/party January 17 to brief the GoA and gain their support for the IC plan's Islam Qalah trial and attempt to get approval on the concept of expanding the plan to other customs posts

-- Convene a meeting of the Border Management Working Group (includes GoA, USG, and IC) February 4. Sub-working-group level meetings to follow to drill down into specific issues.

-- In response to Reftel request, EXBS will coordinate DHS expertise and other resources to meet the needs of the Country Team.

Required Resources

18. (SBU) Expanding on Reftel requests, Embassy Country Team requests the following support on an immediate basis:

-- Customs, border patrol, and counter-narcotics subject-matter experts to be deployed within key customs areas, ABP brigades, the MoF, and the MoI as advisors and mentors. Deployments would begin within the Herat/Islam Qalah customs structure and the ABP Sixth brigade. When reforms are sufficiently completed, most personnel would be transferred to the next BCP/Brigade combination, with some personnel remaining behind to provide quality assurance and oversight.

-- Supplemental resource requirements will be identified by subject matter experts by March, 2006 as the Herat/Islam Qalah trial moves forward. These resource requirements will likely include specialized equipment to support customs, border patrol, and counter-narcotics activities, including items such as fixed gamma scanners for use at ports of entry to facilitate more thorough and efficient inspection of inbound cargo.

Conclusion

19. (SBU) The Border Management Initiative is a top priority. Generating increased GoA revenue is critical to the long term sustainability of the Afghan government and to reducing the need to have donors to fund normal GoA running expenses. Truly securing the major border crossing points and capturing substantial new customs revenue will be a difficult long term endeavor given the high levels of corruption, the vast sums of money involved and the weakness of the GoA. Success is essential to realizing an Afghan government that can operate independently of international donor (and particularly USG) support. Post is poised to realize significant progress in achieving Border Management Initiative objectives but requires immediate assistance from Washington agencies as detailed above.

NEUMANN

1Doug, CG has left the note of the need for scanners in the penultimate para, but felt it did not belong in a para focused on recent actions.